

Lawmakers consider higher sales tax to pay off transportation debt

Posted Monday, Jul. 01, 2013

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While the abortion debate grabs global headlines in the Texas Legislature, the issue of how to pay for the state's roads — and retire nearly \$18 billion in transportation debt — remains unsolved.

As a second special session began Monday, lawmakers were poised to take action again on a proposal to add roughly \$900 million annually for transportation projects through the state's rainy-day fund. Although legislators convened Monday and promptly recessed until July 9, transportation is expected to be among the first items they'll tackle when they return to Austin.

But in addition to the rainy-day fund bill, a handful of other transportation-related bills are under consideration, including one that would raise the state sales tax by a half-cent to retire transportation debt. The constitutional amendment, which would require the approval of voters statewide, would add the half-cent to the state sales tax and dedicate that money to paying off debts created since 2003 in three transportation bond programs.

The sales tax would be considered temporary and would continue until the debts were settled or no later than Sept. 1, 2030, according to the bill.

The bill was filed by Sen. Kevin Eltife, R-Tyler, a self-described fiscal conservative who has repeatedly said the state has gone too far in using debt to make up for a lack of transportation funding through traditional sources, including the state motor fuel tax and car owners' annual registration fees. He favors a return to a pay-as-you-go system, in which roads would be built only after the state had collected enough funds to cover its construction contracts.

Uncertain future

Texans currently pay sales taxes of up to 8.25 cents for every \$1 of taxable goods purchased, with rates varying by city. The state imposes 6.25 cents, and local governments can impose up to 2 cents more for special needs such as transit, crime control and economic development.

Even if Eltife's bill has merit, it's unknown whether lawmakers will take the time to consider it, said Vic Suhm, executive director of the Tarrant Regional Transportation Coalition. Many lawmakers may be tired of spending much of the year in Austin and may be eager to move quickly on a less controversial transportation funding bill, he said.

A measure that would have added about \$900 million annually from the state's rainy-day fund for transportation projects appeared ready to pass in the first special session last week. But it was not brought up for a final vote because the session ended on an abortion debate filibuster by Sen. Wendy Davis, D-Fort Worth.

For the second special session, bills virtually identical to the measure that almost passed the first session have already been filed, Suhm said.

"My thought is they're going to try to move very quickly," he said.

Other bills

But Suhm added that if the Legislature gets through its unfinished business with time remaining in the special session, it's possible that lawmakers will explore new items, such as Eltife's bill. In addition to the proposed restrictions on abortion, lawmakers want to address sentencing guidelines for 17-year-olds convicted of capital murder.

"After that, the table is pretty wide open," Suhm said. "A number of pretty good bills have been filed. Whether they can get any momentum at all, I just have no idea."

A handful of other lawmakers have filed their transportation bills for the second special session.

Rep. Linda Harper-Brown, R-Irving, has filed several bills, including one that would allocate a third of annual revenue from the state's motor vehicle sales, use and rental tax above \$2.8 billion to the state highway fund.

Rep. Joe Pickett, D-El Paso, has filed a bill proposing a constitutional amendment to phase out the use of highway dollars for policing

state highways.

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